

YULON NISSAN MOTOR CO., LTD.
2016 ANNUAL SHAREHOLDERS' MEETING
MINUTES



(Translation)

Meetint Time: Thusday, June 30, 2016 9:00 a.m.

Meetint Place: 1F, No. 3, Sec. 3, Zhonxing Road, Xindian District, New Taipei City

(The Dome Theater at Auto Mall)

Total outstanding YNM shares : 300,000,000 shares

Total shares represented by shareholders present in-person or by proxy : 283,092,822 shares

Percentage of shares held by shareholders present in-person or by proxy : 94.36%

Directors Present : Kenneth K. T. Yen. , Kuo-Rong Chen , Wen-Rong Tsay , Zhen-Xiang Yao , Junichi

Ohori , Kenji Shimoyama and Jin-Shun Wu.

Supervisor Present : Kwan-Tao Li, Tai-Ming Chen

In Attendance : Wan-Yi Liao and Chien-Hsin Hsieh CPA Deloitte & Touch

Chairman : Kenneth K. T. Yen.

Recorder : Chao-Yen Liang

1. Called the meeting to order
2. Chairman's Address(omitted)
3. Discussions Items (I)

Proposal 1: Amendment to "Articles of Incorporation". Please proceed to discuss.

(Proposed by the Board of Directors.)

Description:

- (1) To comply with the article 235-1 of Company Law and related regulations, a fixed amount or ratio of profit of the current year distributable as employees' compensation shall be definitely specified in the Articles of Incorporation. However, the company's accumulated losses shall have been covered hereby proposes to amend the Corporate Charter. Please refer to page 3 to page 4 for details.
- (2) Request to resolve

Resolution:

Voting Results :

shares represented of voting		Votes in favor	Votes against	Votes invalid	Votes abstained
Attendance	127,462,000	127,462,000	0	0	0
e - voting	155,630,822	155,502,707	2,006	0	126,109
Total	283,092,822	282,964,707	2,006	0	126,109
%		99.96	0.00	0.00	0.04

Since the percentage of affirmative vote was compliant with the Law, the proposal was acknowledged as submitted.

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Comparison of Amendments to the “Articles of Incorporation”

Article No	Amended Article (or portion thereof)	Original Article (or portion thereof)	Explain
31	<p><u>If the Company has profits for the current year, it shall be distributed not less than 0.1% as employees' compensation. The employees' compensation to be resolved in the form of shares or in cash, is agreed upon by a resolution of the Board of Directors and shall be submitted to the shareholders' meeting. However, if the Company has the accumulated losses, the profits must be reserved in advance to offset such losses. Then according to the ratio mentioned in preceding paragraph, to be reserved for such employees' compensation.</u></p>		<p>The first paragraph is newly added and indicates a fixed ratio of profit of the current year distributable as employees' compensation in compliance with the amendment of Company Act.</p>
	<p>For the Company's net income at the end of each fiscal year, it shall cover the accumulated losses <u>first, then, appropriating 10% as legal reserve, and set aside or reverse special reserve in accordance with the law. The shareholders' dividend or bonuses</u> out of remaining current profit and undistributed retained earnings shall be proposed first by the Board of Directors and to be resolved in the shareholders meeting.</p>	<p>For the Company's net income at the end of each fiscal year, in addition to the income tax withheld by law, the loss appropriation for prior years must be processed first, then, appropriating 10% legal reserve from the balance amount and other earnings surplus and/or reserve in accordance with the component authorities. If any surplus still remains, <u>it shall be distributed as follows:</u></p> <ol style="list-style-type: none"> <u>1.The amounts of bonus to employees shall be 0.1~5 %</u> <u>2. The remaining, combined with the accumulated surplus from prior years</u> which have not been appropriated, shall be appropriated in accordance with the proposal prepared by the Board of Directors and submitted to the shareholders' meetings for resolution. 	<p>The original first paragraph was modified and moved to the second paragraph.</p>

	<p>The Company is in a stable and mature industry. Factors such as Company's profitability, funding of future operation and change in industrial environment, shareholder's interest and <u>long term</u> financial planning shall be considered in planning the Company's dividend distribution scheme.</p> <p><u>The amount shall not exceed 90% of current net income as the principal, however, the final dividend distribution ratio shall be proposed first by the board of directors and to be resolved in the shareholders meeting, regardless of such principle.</u></p> <p>Distribution of dividend is in the form of cash or shares. Cash dividend each year shall not be less than 20% of the total amount of the appropriated dividend of current year.</p>	<p>The Company is in a stable and mature industry. Factors such as Company's profitability, funding of future operation and change in industrial environment, <u>balance of dividend</u>, shareholder's interest and long term financial planning shall be considered in planning the Company's dividend distribution scheme,</p> <p>the Company's dividend appropriation plan shall distribute dividend in cash or stocks. The amount of appropriation of dividend in cash each year shall not be less than twenty percents of the total amount of the appropriated dividend of current year in principle.</p>	<p>The original second paragraph was modified and moved to the third paragraph.</p>
35	<p>The Articles were formulated on June 30th, 2003; the first amendment was made on March 30th, 2004; the second amendment was made on June 18th, 2004; the third amendment was made on November 11th, 2004; the fourth amendment was made on June 17th, 2005; the fifth amendment will be made on June 16th, 2006; the sixth amendment was made on June 22nd, 2007; the seventh amendment was made on June 21st, 2010; the eighth amendment was made on June 13th, 2012; the ninth amendment was made on June 14th, 2013 ; the tenth amendment was made on June 30th, 2015 ; and <u>the eleventh amendment is made on June 30th, 2016.</u></p>	<p>The Articles were formulated on June 30th, 2003; the first amendment was made on March 30th, 2004; the second amendment was made on June 18th, 2004; the third amendment was made on November 11th, 2004; the fourth amendment was made on June 17th, 2005; the fifth amendment will be made on June 16th, 2006; the sixth amendment was made on June 22nd, 2007; the seventh amendment was made on June 21st, 2010; the eighth amendment was made on June 13th, 2012; the ninth amendment was made on June 14th, 2013, and the tenth amendment was made on June 30th, 2015.</p>	<p>To add revision date</p>

4.Report Items

- (1) To report the business operations of 2015
(Please refer to 2016 annual shareholders' meeting agenda)
- (2) 2015 supervisors' review financial report .
(Please refer to 2016 annual shareholders' meeting agenda)
- (3) To report the employee compensation distribution of 2015.
(Please refer to 2016 annual shareholders' meeting agenda)

5 Approval Items

Proposal 1: Ratification of the 2015 Business Report and Financial Statements.

Please ratify.

(Proposed by the Board of Directors.)

Description:

- (1) The compilation of the Company's Fiscal 2015 Business Report and Financial Statements are completed and has been approved by the Board of Directors. The Financial Statements have been audited and certified by Wan-Yi Liao, CPA, and Chien-Hsin Hsieh, CPA, of Deloitte & Touche. The Business Report and Financial Statements have been audited by the Supervisors, and are hereby submitted for adoption by this Annual General Shareholders' Meeting.
- (2) Please refer to the Fiscal 2015 Business Report, the CPA Audit Report issued by Deloitte & Touche and the Financial Statements, respectively.
(Please refer to 2016 annual shareholders' meeting agenda.)
- (3) Adoption requested.

Resolution :

Voting Results :

shares represented of voting		Votes in favor	Votes against	Votes invalid	Votes abstained
Attendance	127,462,000	127,462,000	0	0	0
e - voting	155,630,822	155,501,707	2,006	0	127,109
Total	283,092,822	282,963,707	2,006	0	127,109
%		99.96	0.00	0.00	0.04

Since the percentage of affirmative vote was compliant with the Law, the proposal was acknowledged as submitted.

Proposal 2:Ratification of 2015 earnings distribution Explanation:

Please ratify.

(Proposed by the Board of Directors.)

Description:

- (1) Based on the audited 2015 financial statement, we present earnings distribution sheet.
(Please refer to 2016 annual shareholders’ meeting agenda.)
- (2) According to earnings distribution sheet, we propose to distribute cash dividend of NT\$12.5 per share. After this proposal resolved by the shareholders’ meeting, cash dividend payment date will be determined in coming B.O.D. meeting.
- (3) Please ratify.

Resolution:

Voting Results :

shares represented of voting		Votes in favor	Votes against	Votes invalid	Votes abstained
Attendance	127,462,000	127,462,000	0	0	0
e - voting	155,630,822	155,502,707	2,006	0	126,109
Total	283,092,822	282,964,707	2,006	0	126,109
%		99.96	0.00	0.00	0.04

Since the percentage of affirmative vote was compliant with the Law, the proposal was acknowledged as submitted.

6 Discussions Items (II)

Proposal 1: Amendment to the system of “Operational Procedures for Acquisition and Disposal of Assets”. Please proceed to discuss.

(Proposed by the Board of Directors.)

Description:

- (1) In order to comply with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, the company hereby proposes to amend the “Operational Procedures for Acquisition and Disposal of Assets”. Please refer to page 9 for details.
- (2) Request to resolve.

Resolution:

Voting Results :

shares represented of voting		Votes in favor	Votes against	Votes invalid	Votes abstained
Attendance	127,462,000	127,462,000	0	0	0
e - voting	155,630,822	155,500,941	3,006	0	126,875
Total	283,092,822	282,962,941	3,006	0	126,875
%		99.96	0.00	0.00	0.04

Since the percentage of affirmative vote was compliant with the Law, the proposal was acknowledged as submitted.

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Table Comparing Original and Amended Articles of “Operational Procedures for Acquisition and Disposal of Assets”

Article No	Amended Article (or portion thereof)	Original Article (or portion thereof)	Explain
25	Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event: <u> </u> : (Omit)	Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event: <u>the company shall input the relevant information to the designated website before the beginning of the trading hours on the trading day following the date of occurrence of the event</u> : (Omit)	To strengthen corporate governance system. Amendment fitting in with Regulations governing the acquisition and disposal of assets by public companies.
30	The procedure was formulated on March 30 th , 2004; The first amendment was made on June 16 th , 2006; The second amendment was made on June 22 nd , 2007; The third amendment was made on June 23 rd , 2011; The fourth amendment was made on June 13 th , 2012; The fifth amendment was made on June 23 rd , 2014. <u>The sixth amendment is made on June 30th, 2016.</u>	The procedure was formulated on March 30 th , 2004; The first amendment was made on June 16 th , 2006; The second amendment was made on June 22 nd , 2007; The third amendment was made on June 23 rd , 2011; The fourth amendment was made on June 13 th , 2012; The fifth amendment was made on June 23 rd , 2014.	To add revision date.

7 . Extraordinary Motions

None

8. Others to be contained

None

9. Closure of the Meeting

9:21 a.m

Chairman : Kenneth K. T. Yen.



Recorder : Chao-Yen Liang

